



PHILIP MORRIS

U.S.A.

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January 11, 1994

Mr. Mitchell B. Fox
Publisher
Details Magazine
632 Broadway - 12th Floor
New York, NY 10012-2654

Dear Mitchell:

Philip Morris U.S.A. would like to invite you and a colleague to attend an important business seminar on Tuesday, January 25, at the Grand Hyatt Hotel in New York City.

The conference, titled STRAIGHT TALK: HOW THE NEW TOBACCO TAX WILL AFFECT BUSINESS, will feature a complete briefing on the Clinton Administration's proposal to raise the federal excise tax on tobacco (FET) by 75 cents to fund health care reform. A comprehensive business strategy for opposing and defeating the proposed tax increase will be presented with the hopes that all attendees will contribute ideas to the plan.

This is one of the most critical issues that all of us connected with the tobacco industry have ever faced, and we urge you to attend. If President Clinton's health care reform package is enacted as proposed, it will raise the FET on cigarettes to 99 cents a pack which comes to \$9.90 in federal tax per carton -- *an increase of more than 300 percent!*

Such a sharp and sudden increase would have a devastating economic impact on the U.S. economy. The negative effects would be felt at every company supplying goods and services to the tobacco industry. According to data compiled by Price Waterhouse, a 75-cent increase could lead to the loss of 270,000 jobs nationwide.

We hope to mobilize not only our own employees and customers, but also important business associates like you to join with us in opposing this unfair, regressive and economically disastrous tax increase.

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At the conference, we will be seeking your active participation in the development of our coordinated strategy. When you select a colleague to accompany you to the conference, please choose the person most appropriate to coordinate tax opposition activities at your company. If both you and a colleague cannot attend, please try to designate someone as it is important that your company receive a full briefing.

When you know who will be attending from your company, please fill out the enclosed Registration Form. We would greatly appreciate hearing from you at your earliest convenience. Just fax your completed form to Mr. Alan Miller (212) 907-5315 or use the enclosed return envelope.

You will note from the enclosed Agenda that speakers will include PM USA President and CEO William I. Campbell, Steven Parrish, General Counsel and Sr. Vice President, External Affairs, and Ellen Merlo, Vice President, Corporate Affairs. While the FET will be our main focus, there are many other equally serious issues facing our industry and we will be discussing all of them during the meeting.

Please set aside January 25 for STRAIGHT TALK. I look forward to greeting you then.

Sincerely,


Diane Cimine
Manager, Media

Enclosures

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